VAT has given fresh sweeteners to ensure easy implementation of VAT and also achieve convergence in VAT rates;

(b) if so, whether in the meeting held on April 2005, the Committee exempted certain items of mass consumptions like salts and breads of all kind (branded and unbranded) and also these items under the PDS;

(c) the main items exempted from VAT and to what extent this decision has been helpful to the consumers as well as traders; and

(d) whether Committee has also agreed to reconsider further exemption of VAT in other consuming items?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The Empowered Committee of State Finance Ministers decided to revise the rates of VAT in respect of certain commodities in its meeting held on 26 April 2005, after due consideration of the proposals/representations received by the Committee from the State Governments, trade associations and other stake holders. This has been done for smooth implementation of VAT and for achieving uniformity in the VAT rates in various States. As part of this exercise, certain commodities, mostly consisting of items of mass consumption have been exempted from VAT. These items include salt, bread, atta, maida, suji and besan, gur & jaggery, papad and items covered by PDS (except kerosene). This decision should help the traders and consumers, as the prices of these items should come down due to reduction in tax burden.

(d) The'Empowered Committee also decided in its meeting held on 26 April 2005 that there will be no further changes in the rates till the system stabilizes and there is reliable feedback from the market. The Committee further decided in its meeting held on 09 July 2005 that it is not in favour of a general review of rates of VAT at this stage.

Norms in banks for cheques written in Urdu

849. MAULANA OBAIDULLAH KHANAZMI:
SHRI MOTIUR RAHMAN:

Will the Minister of FINANCE be pleased to state:

(a) the details of the banks which entertain correspondence, forms and cheques written in Urdu and those which do not entertain;

(b) what are the instructions in this regard; and

(c) what steps are being taken to ensure uniformity-in this regard in all banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Reserve Bank of India (RBI) have reported that as per recommendation of the Working Group on Customer Service (Talwar Committee) constituted in 1975.all cheques, forms should be printed in Hindi and English. Customer may, however, write cheques in Hindi, English or any other language of their choice. Further, as per recommendation of the Goiporia Committee on Customer Service, banks may make available to the customers brochures/pamphlets in regional language/Hindi/English giving details of various schemes available and terms and conditions thereof. RBI have examined the above recommendations and its implementation by banks with the Indian Banks' Association (IBA). IBA have advised that they had discussed the issue with some major public sector banks and the banks have informed them that forms/ pamphlets/brochures are printed by them in trilingual form. IBA has also informed that banks are accepting cheques in regional languages.

Safety of investors money

850. SHRI SANTOSH BAGRODIA:

SHRI HARISH RAWAT:

Will the Minister of FINANCE be pleased to state:

(a) what precautions have been taken by Government for the safety of public money while granting greater operational freedom to State run banks which were involved in share scams previously; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR! S.S. PALANIMANICKAM): (a) and (b) Various steps have been taken to curb frauds, scams and illegal transactions in the banks *viz.* Know Your Customer (KYC) norms, introduction of Core Banking Solutions (CBS), Real Time Gross Settlement (RTGS), modernisation and technological upgradation etc. Besides, banks are under multilayered oversight—Concurrent Audit, Statutory Audit by auditors from a panel recommended by